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David Weidenborner
Telecom Compliance Services
3100 Cumberland Blvd Ste 900
Atlanta GA 30339

Letter of Appeal
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

RE: Pelzer Communications, Inc. Filer 499 ID 824520, Docket No. 96-45, Rejection of
February 2008 499-Q

To Whom It May Concern:

On June 16, 2008 we received a rejection letter rejecting our Feb 2007 499Q revision. This report was revised and submitted to NECA in May, 2008. We are aware that we missed the revision-filing deadline, but due to a traffic error, we reported incorrect revenues for the period October-December 31, 2007.

Upon learning of the annual report, the regulatory agency immediately responded to USAC's request. We wish to extend our sincere regret for filing our revision past the 45 day original submission. Because of this situation, we ask that we be pardoned of the possibility of any additional actions being taken against Pelzer Communications Corporation. We are extremely apologetic for the matter that has occurred and going forward, we will execute all possible precautions to ensure that there are no repeat occurrences. I have attached the revised 499Q for your convenience. I have also attached the traffic report that shows the correct revenues that should have been filed. Enclosed you will find a self addressed stamped envelope and a copy of this letter for you to date stamp and send back to me. Please contact me if you have any questions regarding this appeal.

Sincerely,



David Weidenborner
Sr. Regulatory Tax Analyst
770 956-7525 X1513
David.weidenborner@thomsonreuters.com

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Administrator's Decision on Contributor Appeal

By Certified Mail

November 17, 2008

*Confidential – Not for Public
Inspection*

Mr. David Weidenborner
Telecom Compliance Services
3100 Cumberland Boulevard, Suite 900
Atlanta, GA 30339

Re: Pelzer Communications, Inc. (Filer ID #824520)
Letter of Appeal dated July 8, 2008

Dear Mr. Weidenborner:

The Universal Service Administrative Company (USAC) has completed its evaluation of your letter of appeal submitted on behalf of Pelzer Communications Corporation (Pelzer), dated July 8, 2008. The appeal concerns Pelzer's October through December 2007 Universal Service Fund (USF) contribution obligation and requests USAC's acceptance of a revised February 2008 FCC Form 499-Q.¹ As discussed in more detail below, USAC hereby denies Pelzer's appeal.

Decision on Appeal: Denied

Federal Communications Commission (FCC or Commission) regulations require telecommunications carriers to file an annual FCC Form 499-A. In addition, carriers are also required to file quarterly FCC Form 499-Qs, unless they meet the *de minimis* exemption.² USAC relies on projected revenue for the upcoming quarter reported on the Form 499-Q to bill contributors and relies on the annual Form 499-A to reconcile billings for the previous year, as projected on the Form 499-Qs. *See generally*, 47 C.F.R. Part 54.

The FCC requires Form 499-Qs to be filed on the first business day of the following months: November, February, May and August. The November Form 499-Q is used to determine a company's monthly USF contribution obligation for January, February and March of the next calendar year; the February Form 499-Q is used to determine a company's monthly USF contribution obligation for April, May and June of the calendar year; the May Form 499-Q is used to determine a company's monthly USF contribution obligation for July, August and September of the calendar year; and the August Form

¹ Although the rejection letter attached to the appeal and the appeal, in one instance, references a February 2007 Form 499-Q, USAC's review indicates the Form 499-Q Pelzer submitted, and which was rejected, is a February 2008 Form 499-Q. Accordingly, this decision addresses the February 2008 499-Q.

² *See* 47 C.F.R. § 54.708.

499-Q is used to determine a company's monthly USF contribution obligation for October, November and December of the calendar year.³

The FCC recently stated that "[a] contributor's timely filing of its FCC Forms 499-Q, including any revisions, is essential for USAC to determine the projected interstate and international revenues for the industry and to meet its requirement to provide the estimated amount of the total contribution base to the Commission 30 days before the start of each quarter."⁴ The FCC established a 45-day revision window to give contributors an opportunity to revise their quarterly forms while adequately maintaining appropriate USF funding in a given quarter.⁵ USAC does not have the authority to waive the FCC-established 45-day revision deadline.

Although Form 499-Qs report historical revenue from a preceding quarter, as required by FCC rules, USAC relies on projected revenue to determine monthly USF contribution obligations.⁶ Pelzer states in its letter of appeal that by filing a revision to its February 2008 Form 499-Q, it was attempting to correct billings which posted in October through December 2007. The projected revenue reported on Pelzer's original February 2008 Form 499-Q and the revision to that form, had it been timely filed, would have resulted in billings which posted in April, May, and June 2008.

This decision explains how USAC determined Pelzer's monthly USF contribution obligation for October, November, and December 2007 and addresses the billing periods related to both the August 2007 and February 2008 Form 499-Qs and the corresponding annual reconciliation processes for each.

August 2007 FCC Form 499-Q – October, November, and December 2007 Billings

The August 2007 Form 499-Q, projecting revenue for 4th quarter 2007, had a due date of August 1, 2007 with a 45-day revision deadline of September 14, 2007. Because Pelzer did not file an August 2007 Form 499-Q, USAC pursuant to FCC regulation⁷, estimated

³ See *Federal-State Joint Board on Universal Service, Petition for Reconsideration filed by AT&T*, CC Docket No. 96-45, Report and Order and Order on Reconsideration, FCC 01-85, 16 FCC Rcd. 5748 (2001) (*Quarterly Reporting Order*).

⁴ *In the Matter of Request for Review by Aventure Communications Technology, LLC. Of USAC Rejection Letter and Waiver of USAC 45 Day Revision Deadline*, CC Docket No. 96-45, DA 08-1514, Order, 23 FCC Rcd 10096 (2008) (*Aventure Communications*).

⁵ See *Federal-State Joint Board on Universal Service, Request for Review by: ABS-CBN Telecom North America, Incorporated of Decision of Universal Service Administrator; Southwest Communications, Inc. of Decision of Universal Service Administrator; and Trans National Communications International, Inc., Decision of Universal Service Administrator*, CC Docket Nos. 96-45, 2007 WL 784322, DA-07-1276 (2007) (*USF Reconciliation Process Order*), ¶ 2 ("Beginning in 2003, contributors have had the opportunity to correct their quarterly filings up to 45 days after the due date of each FCC Form 499-Q filing. In addition, all filers must submit an annual Telecommunications Reporting Worksheet (FCC Form 499-A), which contains the filer's actual revenues from the previous calendar year. To the extent that contributors have under- or overestimated their revenue information and have paid too little or too much, the FCC Form 499-A is used to true-up universal service billings and payments.").

⁶ See 47 C.F.R. § 54.709 (a).

⁷ See 47 C.F.R. § 54.709(d).

David Weidenborner
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projected 4th quarter 2007 revenue to determine Pelzer's monthly USF contribution obligation for October, November, and December 2007.

On May 28, 2008, Pelzer filed an original 2008 Form 499-A, reporting 2007 annual revenue, and on June 23, 2008 filed a revision to the form. USAC compared Pelzer's revenue as reported on the revised annual form, to the projected estimated quarterly revenue reported for 2007, including the 4th quarter revenue estimated by USAC. Because Pelzer was determined to be *de minimis* during the annual reconciliation process, USAC posted credits of \$4,091.13 to Pelzer's July 2008 invoice.⁸

February 2008 FCC Form 499-Q – April, May and June 2008 Billings

The February 2008 Form 499-Q, projecting revenue for 2nd quarter 2008, had a due date of February 1, 2008 with a 45-day revision deadline of March 17, 2008. Pelzer filed an original Form 499-Q on January 28, 2008, and a revision was received on May 28, 2008. USAC rejected the revision because it was submitted after the 45-day revision deadline.

On April 1, 2009, Pelzer is required to file a 2009 FCC Form 499-A reporting 2008 annual revenue. USAC will compare Pelzer's reported actual 2008 revenue to projected estimated quarterly revenue, including the revenue projected for 2nd quarter of 2008.⁹ Assuming, but not concluding, that Pelzer's 2008 billings should be adjusted, Pelzer will receive adjustments or credits, as appropriate, during 3rd quarter 2009.

Pay and Dispute Policy

Although Pelzer received billings in April, May and June 2008 related to the projected revenue reported on its February 2008 FCC Form 499-Q, it has not submitted a payment toward these billings. Late fees and penalties will continue to be assessed and accrue until Pelzer's balance is paid in full.

It is USAC's policy to enforce any late payment fees associated with unpaid balances. It is the responsibility of the contributor to file correct revenue so that USAC may accurately assess USF contribution obligations. Failure to pay USF contribution amounts when due will result in late charges being assessed on the amount outstanding.

⁸ See *Federal-State Joint Board on Universal Service, CC Docket No. 96-45, 1998 Biennial Regulatory Review-Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms CC Docket No. 98-171, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990, CC Docket No. 90-571, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, CC Docket No. 92-237, Number Resource Optimization, CC Docket No. 99-200, Telephone Number Portability, CC Docket No. 95-116, Truth-in-Billing and Billing Format, CC Docket No. 98-170, Report and Order and Second Further Notice of Proposed Rulemaking (Interim Contribution Methodology Order), ¶ 36* ("USAC will use the actual revenue data provided by contributors on the FCC Form 499-A to perform annual true-ups to the quarterly projected revenue data submitted by contributors during the prior calendar year.").

⁹ See *Interim Contribution Methodology Order, ¶ 36*.

David Weidenborner
Telecom Compliance Services
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The "Frequently Asked Questions" section of USAC's website provides guidance that specifically advises contributors that intend to file revisions to pay charges or risk receiving late payment fees. Further, the USAC website explains that USAC must rely on the contributor to deliver accurate information and that billings are based on the revenue as reported. The USAC website explains that late payment fees will not be waived unless the dispute is determined to be the result of a USAC error.¹⁰

Because Pelzer's revised February 2008 FCC Form 499-Q was received on May 28, 2008, after the February 1, 2008 due date and the FCC-established 45-day revision window of March 17, 2008, USAC was correct in rejecting the revised Form 499-Q. Pelzer's appeal is hereby denied.

If you wish to further appeal this decision, you may file an appeal with the FCC. Detailed instructions for filing appeals are available at:

<http://www.universalservice.org/fund-administration/contributors/file-appeal>

Sincerely,

USAC

cc: Regina Dorsey, FCC Office of Managing Director
Hillary DeNigro, FCC Enforcement Bureau
Trent Harkrader, FCC Enforcement Bureau
Greg Guice, FCC Wireline Competition Bureau
Gus Pelzer, Pelzer Communications Corporation

¹⁰ See USAC website section titled "Paying USAC Bill during Appeal Process" at: <http://www.usac.org/fund-administration/contributors/file-appeal/>.



June 16, 2008

Attn: David Weidenborner/TCS
Pelzer Communications Corporation
PO BOX 8085
SUITE 308
Silver Spring, MD 20907

Form 499 Filer ID: 824520

RE: February 2007 FCC Form 499-Q Revision Rejection

Federal Communications Commission (FCC) regulations require carriers to file an FCC Form 499-A annually and an FCC Form 499-Q quarterly and require the Universal Service Administrative Company (USAC) to bill contributors based on reported revenues. See generally 47 C.F.R. Part 54. The February 2007 FCC Form 499-Q was due Thursday, February 01, 2007, with revisions due by Monday, March 19, 2007 (45 days later). This 45 day form revision window is clearly noted in the instructions for the FCC Form 499-Q, is discussed in a document entitled "Helpful Hints" that was included with the form, and is posted on USAC's website www.universalservice.org. In addition, questions concerning forms and revisions can be addressed to USAC via email at Form499@universalservice.org.

Because USAC received the February 2007 FCC Form 499-Q submitted by the above-referenced Form 499 Filer ID 824520 Pelzer Communications Corporation after the due date and outside of the 45-day revision window, the form was untimely and will not be processed.

If this submission was intended to revise revenue reported on a previously filed original Form 499-Q, please note USAC has relied upon the revenue previously projected by you for the purposes of calculating your universal service charges for April, May and June 2007. If you failed to timely file an original Form 499-Q, please note USAC has relied on revenue previously reported by you for the purpose of calculating your universal service charges for April, May and June 2007.

When a carrier fails to file an FCC Form 499 by the due date, in order to calculate universal service charges for the relevant period, FCC regulations require USAC to estimate that carrier's revenue based upon previously reported revenue information.

Please note that although you missed the revision window for submission of the Form 499-Q, the annual/quarterly (A/Q) true-up will provide a remedy. USAC's 2008 A/Q true-up will reconcile and revise contributor's account accordingly. The 2008 Form 499-A, reporting annual 2007 revenue, has a due date of April 1, 2008. Upon receipt of contributor's 2008 Form 499-A, USAC will perform the A/Q true-up and post appropriate credits or adjustments to your account.

If you wish to appeal this decision with USAC, your appeal must be postmarked no later than 60 days after the date of USAC's rejection letter. Appeals postmarked after 60 days from the date of this letter will be automatically dismissed.

In the event that you choose to appeal the decision, you should follow these guidelines:

- Write a "Letter of Appeal to USAC" explaining why you disagree with this Form 499-Q rejection letter and identify the outcome that you request.
- Be sure to refer to CC Docket No. 96-45 on all communication with the FCC.
- The appeal must identify the "Legal Reporting Name" and "Filer 499 ID".
- Provide necessary contact information. Please list the name, address, telephone number, fax number, and e-mail address (if available) of the person who can most readily discuss this appeal with USAC.
- Explain the appeal to the USAC. Please provide documentation to support your appeal.



June 16, 2008

Attn: David Weidenborner/TCS
Pelzer Communications Corporation
PO BOX 8085
SUITE 308
Silver Spring, MD 20907

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- Explain the appeal to the USAC. Please provide documentation to support your appeal.

Please note this
Revision is for the
February 2008 FCC Form
499-Q Revision

David Weidenborner
Telecom Compliance Services
3100 Cumberland Blvd Ste 900
Atlanta GA 30339

Letter of Appeal
USAC
2120 L Street NW Suite 200
Washington DC 20036

RE: Pelzer Communications, Inc. Filer 499 ID 824520, Docket No. 96-45, Rejection of 499Q

To Whom It May Concern:

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Sincerely,



David Weidenborner
Sr. Regulatory Tax Analyst
770 956-7525 X1513
David.weidenborner@thomsonreuters.com

December 2007

	A	B	C	D	E	F	G	H	I	J	K
1	State			a-Intrastate LD			b-Interstate LD			c-International LD	
2		Lines	Calls	Minutes	Dollars	Calls	Minutes	Dollars	Calls	Minutes	Dollars
3	Alabama		758	1760	61.65	1086	2665	93.28	4	10	0.9
4	Alaska										
5	California										
6	Colorado					2	41	1.64			
7	Connecticut		9	60	2.4	8	79	3.16			
8	District of Columbia		698	2198	177.29	29893	67819	2633.13	1246	4165	568.52
9	Florida		28	58	2.32	40	159	6.36			
10	Georgia										
11	Illinois										
12	Maryland	138	3046	10135	639.19	6206	30253	1479.59	327	4470	664.76
13	Massachusetts		221	887	53.22	228	1188	71.28	85	488	74.33
14	Michigan		134	471.9	16.66	339	1271	51.39	16	47	4.23
15	New Jersey										
16	New Mexico		3	10	0.4	233	923	41.85			
17	New York										
18	North Carolina		10	33	1.32	16	316	12.64			
19	Ohio		16	120	4.8	6	12	0.48			
20	Pennsylvania										
21	Tennessee										
22	Texas	23	201	761	30.44	277	916	36.64	6	23	2.07
23	Virginia	46	35	166	16.6	1202	6699	336.57	21	246	25.59
24	Wisconsin		263	803	32.12	97	255	9.82	1	2	0.18
25											
26	Totals	207	5422	17462.9	1038.41	39633	112596	4777.83	1706	9451	1340.58

November 2007

	A	B	C	D	E	F	G	H	I	J	K
1	State			a-Intrastate LD			b-Interstate LD			c-International LD	
2		lines	Calls	Minutes	Dollars	Calls	Minutes	Dollars	Calls	Minutes	Dollars
3	Alabama		742	1706	59.75	1072	2435	85.25	3	11	0.99
4	California										
5	Colorado										
6	Connecticut		2	9	0.36	12	107	4.28			
7	District of Columbia		878	2881	242.34	31904	75426	2933.72	1327	4933	645.33
8	Florida		78	188	7.52	119	311	12.44			
9	Georgia					81	218	8.72	1	2	0.18
10	Illinois										
11	Maryland	138	3302	11278	705.11	7661	37517	1810.06	356	2881	443.17
12	Massachusetts		359	1529	91.74	330	2016	120.96	99	710	122.26
13	Michigan		97	325.4	12.59	314	1024.5	41.83	10	42	3.78
14	New Jersey										
15	New Mexico		10	26	1.04	282	1511	65.98			
16	New York										
17	North Carolina		13	52	2.08	27	63	2.52			
18	Ohio		16	64	2.56	6	6	0.24			
19	Pennsylvania										
20	Texas	23	244	811	32.44	361	1093	43.72	4	7	0.43
21	Virginia	46	39	138	13.8	1303	8037	402.14	8	72	6.71
22	Wisconsin		231	605	24.2	87	301	11.61			
23											
24	Totals	207	6011	19612.4	1195.53	43559	130065.5	5543.47	1808	8658	1222.85

October 2007

	A	B	C	D	E	F	G	H	I	J	K
1	State			a-Intrastate LD			b-Interstate LD			c-International LD	
2		lines	Calls	Minutes	Dollars	Calls	Minutes	Dollars	Calls	Minutes	Dollars
3	Alabama		712	1667	58.39	1095	2870	100.47	6	15	1.35
4	Alaska										
5	California										
6	Colorado										
7	Connecticut		5	28	1.12	6	16	0.64			
8	District of Columbia		654	1839	157.81	25212	63392	2466.07	1320	5180.5	636.45
9	Florida		52	143	5.72	67	349	13.96			
10	Georgia					121	351	14.04	2	6	0.54
11	Illinois										
12	Maryland	138	2647	9063	575.25	6288	31126	1519.45	311	4425	513.92
13	Massachusetts		232	803	48.18	259	1193	71.58	109	748	113.96
14	Michigan		80	250	10	394	894	36.61	6	17	1.53
15	New Jersey										
16	New Mexico		12	55	2.2	269	1163	48.43			
17	New York										
18	North Carolina		10	31	1.24	17	101	4.04			
19	Ohio		23	50	2	4	4	0.16			
20	Pennsylvania										
21	Tennessee										
22	Texas	23	217	641	25.64	239	979	39.16	1	3	0.27
23	Virginia	46	29	125	12.5	1158	6444	323.15	17	155	13.31
24	Wisconsin		262	819	32.76	72	196	7.56			
25											
26	totals	207	4935	15514	932.81	35201	109078	4645.32	1772	10549.5	1281.33